



**PRESS RELEASE**  
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## **STRAX: NEW SIMPLIFIED GROUP STRUCTURE TO IMPROVE PRESENTATION OF THE COMPANY AND MAXIMIZE VALUE**

The STRAX Board of Directors has resolved to split the group's business into two parts – Own brands and Distribution. Both businesses will remain wholly owned by STRAX. This change will present an improved view of the value of each part of the group's businesses and is also expected to deliver a more effective cost structure, once fully implemented.

No change on consolidated group figures, however, the split P&L based on the figures for the first nine months of 2019 would be as follows:

<b>MEUR</b>	<b>Distribution*</b>	<b>Own Brands</b>	<b>Other</b>	<b>Total</b>
SALES	53.5	18.7	-	72.3
Gross margin	14.2	7.1	-0.1	21.2
Gross margin %	26.5	38.1	0.0	29.4
EBITDA	4.4	1.4	-0.6	5.2

*\* Includes both retail and online distribution*

Effective January 1, 2020, the business segments reporting format will also be changed, with four segments reported as: Distribution–Retail; Distribution–Online; Own Brands; and Other.

"The split of the business into Own Brands and Distribution, is key from an operational point of view where we will have increased transparency of each business as well as provide for improved visualization of values and performance within the STRAX Group. Today we own one of the leading European based specialist distributors of mobile accessories, rapidly expanding Brandvault for online global marketplace management, established brands such as Urbanista and new brands like Clckr, all of which are performing well. I believe we have been negatively impacted from a valuation perspective due to the fact the market has not understood our consolidated business model. Additionally, we have not been able to capture the full potential of our distribution platform in Europe, since it has been an integrated part of the consolidated business and, as such, jeopardized our average blended gross margin. With this split we will be able to optimize our valuation by clear separation of our complimentary businesses and we expect this change to be viewed positively by our shareholders and the market in general" says Gudmundur Palmason, CEO, STRAX AB.

For further information please contact Gudmundur Palmason, CEO, STRAX AB, +46 8 545 017 50.

**About STRAX**

STRAX is a global company specializing in mobile accessories. STRAX develops and grows brands through an omnichannel approach. STRAX operates two complimentary businesses – Own brands and Distribution (retail and online marketplaces) - where the lifestyle audio brand Urbanista is the flagship along with our licensed brands adidas. Through its retail distribution platform in Europe STRAX represents over 40 major mobile accessory brands, whilst Brandvault, online marketplace distribution, is currently centered around own brands and startups. STRAX sells into all key channels ranging from telecom operators, mass merchants and consumer electronics to lifestyle retailers and direct to consumers online. STRAX was founded in Miami and Hong Kong in 1995 and has since grown across the world. Today, STRAX has over 200 employees in 12 countries with its operational HQ and logistics center based in Germany. STRAX is listed on the Nasdaq Stockholm Stock Exchange.